



Transport Committee

Oral evidence: Road haulage sector: Skills and workforce planning, HC 517

Monday 22 February 2016

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Members present: Mrs Louise Ellman (Chair); Karl McCartney; Huw Merriman; Will Quince; Iain Stewart.

Questions 149-200

Witnesses: **Lord Ahmad of Wimbledon**, Parliamentary Under-Secretary of State for Transport, **John Parkinson**, Director, Motoring, Freight and London, and **Philip Martin**, Head of Freight policy, Department for Transport gave evidence.

Q149 Chair: Welcome to the Transport Select Committee. I apologise for changing the time of the meeting, and I hope you understand the reasons for that. I am pleased that you are all here now. I would like to welcome you, Lord Ahmad, to what I think is your first meeting with the Select Committee. Would you all give your names and positions for our records?

John Parkinson: I am John Parkinson. I am director for motoring, freight and London in the Department for Transport.

Lord Ahmad: I am Lord Ahmad of Wimbledon. I am the Minister for skills, aviation security and London in the Department for Transport.

Philip Martin: I am Philip Martin, head of the freight policy team in the Department for Transport.

Q150 Chair: Thank you. Lord Ahmad, back in 2014 the UK Commission for Employment and Skills identified that HGV driver positions were among the most difficult to fill. When did the Government recognise that there was a problem and what have you been doing about it?

Lord Ahmad: We of course acknowledge the fact that current estimates are that there is a shortage of up to 45,000 in this particular area. The Government have been investing quite heavily in dealing particularly with the issues of recruitment. I will highlight a couple of examples. One of the challenges that the industry is facing is around the tests being carried out. We have set ourselves an ambitious but—we believe—realistic target to reduce test waiting times, which are currently around six weeks. We aim to reduce that particular waiting time through the recruitment of more examiners—195 new examiners. We believe

that by the summer that will allow us to reduce the waiting time from six weeks to three weeks. That was one of the issues the industry identified.

Other areas in which we are investing include the launch of the skills strategy to ensure greater investment, for example, in apprenticeships. There is greater focus on that, and a new trailblazer apprenticeship is being developed. We hope to complete the details of that by the summer. That will address some of the acute shortages. I fully recognise that the current shortfall is something that acutely impacts the industry, but there is a positive element in it as well. It is partly driven by the fact that we have seen greater growth in the sector and there is an increasing level of demand. However, there is also an onus to ensure that the attractiveness of being an HGV driver is looked at, and I am going to host a round table to that effect on 16 March. We will have all-sector representatives, including not only the various trade associations but the companies directly involved in the haulage industry, to see how we can address the issue, because it requires action from all partners.

Q151 Chair: What do you think is the reason for the increased demand for drivers?

Lord Ahmad: The need is demand-led. Currently, if you look around the sector, there are about 300,000 drivers. There is an increasing demand for freight and road haulage services. With the recession, various drivers left the industry. There is also a lack of younger drivers entering the industry. As I said earlier, at the moment—pay aside—the conditions associated with someone taking on this particular role need to be looked at. We are talking quite often about unsocial hours. The facilities provided for drivers need to be looked at in order to make it an attractive proposition. That said, we need to address the issue of shortages through ensuring that all access into this particular industry is made available. Only last week, for example, I held a round table of people involved in ensuring a transition from military careers; there is a ready source of individuals who may be coming to the end of their service to Queen and country and are looking to enter civilian life. We want to ease that transition. Many of them have completed in part the training requirements that we set up to ensure that we get the level of expertise we need for such drivers. There are various initiatives that we are scoping at the moment, and we are working very closely with the freight associations and private companies to ensure that we meet that challenge.

Q152 Chair: You mentioned quite a number of things that the Government are involved in. We will be returning to some of those, but would you say that the industry has any responsibility?

Lord Ahmad: Of course, this has to be industry-led. In essence, the Government's role is one of facilitation and looking at recruitment. The retention element—retaining drivers in the sector—is something that primarily the industry needs to lead on. I believe very strongly that this is an approach that requires strong partnership, and the Government have a role to play in facilitating and working with industry to provide solutions to the shortage.

Q153 Chair: Are you particularly concerned that there are so many people who are qualified to drive but do not drive? There is a problem of retention rather than recruitment.

Lord Ahmad: There is, but I would suggest that it is also about recruitment. I put it to you, and indeed the Committee, that it is something we all recognise; I have already talked about not just the pay but the conditions for people coming into the profession. If I could broaden it slightly, there is a challenge for us within the Transport team—that is why I am very passionate about our skills agenda—to make the attractiveness of careers in transport

such that they are a ready option for people choosing careers. I put it very simply. I know Mr Quince has recently been blessed. I myself have three children, including two young boys. Why is it that at the age of five or six children play with cars, trucks and trains, but when it comes to the career path they want to follow at 15 or 16, transport is often not high on their agenda?

The other area we need to focus on is the quality of apprenticeships. No longer should apprenticeships be regarded as a poor relation to a degree course. We need to ensure that we invest properly and make the attractiveness of apprenticeships something that presents a viable option to a person choosing a career in transport.

Q154 Chair: In relation to apprenticeships, does that mean that you think apprenticeships should be funded in the same way as degree courses? You just said that apprenticeships should not be second-best to degree courses.

Lord Ahmad: First of all, we need to introduce the educational element. What does an apprenticeship mean? If I go back and look at my own experience, was an apprenticeship offered to me as an alternative to a degree course? The short answer is no. There has been a great emphasis by the Government, and rightly so; we have an ambitious target of 3 million apprenticeships. The Department for Transport wants to play its part. We have a target of 30,000 apprenticeships, which reflects about 10% of our workforce across rail and road. We need to make the quality of those apprenticeships better, so that when companies, or indeed individuals, make that choice it should be something they look on as real career development and not just a poor relation to a degree course.

In terms of how apprenticeships are funded, as you will be well aware, the Government are looking at introducing an apprenticeship levy, which will look at investing in skills. It is right that it is industry-led. It will impact only on larger companies that will be asked to pay the levy, but it is an investment in their future, the individual's future and, more importantly, the country's future.

Q155 Huw Merriman: With regard to younger people and apprenticeships, I want to touch on the high insurance costs that we understand young people are faced with. One of the members of a previous panel highlighted that as perhaps the largest barrier to the younger population. Do the Government have plans to tackle that, perhaps by approaching the industry to find out why the insurance premiums are so high and what can be done to lower them?

Lord Ahmad: We were all young once, and we recognise the fact that the statistics support the fact that unfortunately young people are involved in a higher percentage of incidents or accidents. It is our belief—I think it is the right view—that this needs an industry solution. It requires a market solution; premiums need to reflect the risk associated with any given insurance. That said, I alluded earlier to the fact that we have engaged, particularly in the skills strategy, in a series of round tables across all areas. This particular area within the HGV sector is a part of that. I hope that we can work with industry in finding better solutions, but it is not for Government to dictate what kind of premiums the insurance sector should be charging. That should be left very much to the market.

Q156 Huw Merriman: Do you think the industry itself can set up something that pools insurance premiums across the industry? I am just trying to think of something that might be a bit more innovative.

Lord Ahmad: Things like fleet insurance, for example, provide scope. Premiums can be levied out and it is for companies to take it forward. Yes, the short answer is that industry can look to provide solutions. If we compare it with private cab firms, for example, they often take out fleet insurance, and that is an area that could be explored more readily with private sector companies within the haulage industry as well.

Q157 Huw Merriman: Staying on the younger fleet population, we understand that there is reluctance to employ drivers with less than two years' experience. Do you think there is a culture where the industry is not trusting enough of the younger driver population, or would that be too strong?

Lord Ahmad: Like anything, there has to be a trade-off between ensuring we meet the challenge within the industry—and that applies to the private sector—and, more importantly, ensuring that we retain and strengthen the highest road and safety standards. It is right that we look at ensuring that people who are engaged as HGV drivers fulfil the required competence and criteria for being able to drive such vehicles on our roads. Safety cannot be ignored. It is an important factor.

Q158 Huw Merriman: It has been pointed out that there is frustration among certain hauliers that they are training new entrants, but then other hauliers may be poaching the new entrants for slightly more money. Some hauliers seem less reluctant to invest. Do you think the industry could help itself out by being a little fairer across the board?

Lord Ahmad: It could be, but we are dealing with a market situation. I put it to you, Mr Merriman, that anyone working in any industry in any field will look to the attractiveness of a proposition or an offer made by a competitor within that field. Earlier I alluded to the fact that a lot of the work needs to be done industry-wide. It is not just pay but looking at the conditions surrounding what attracts people into a particular profession. When it comes to HGV drivers, that is an area that needs a lot more work. It is a free market, and of course people go where they feel they are best suited and where their aspirations take them. A lot of work can be done on the conditions that currently surround HGV drivers. That is where I think there is real need for improvement.

Q159 Huw Merriman: Far be it from me to argue against the free market, but the difficulty is that a lot of this uncertainty means there is a driver shortage. While I can understand why the individual driver would of course look at the free market to take more, I wonder whether the hauliers could be a bit more inventive, perhaps by providing loans, meaning that an individual might be tied to a certain company as they repay the loan. The market would have a bit more stability to allow it to work so that it does not have such a driver shortage.

Lord Ahmad: One of the areas sometimes perceived as inhibitive to someone taking on the role is exactly the cost of training. The current cost of training a particular driver is anything up to £3,000 or more. Clearly, if I was working in the haulage industry as a private sector employer I would ensure, as you rightly point out, that there was some level of payback so that you keep the best people you have invested in. The Government have embarked on a loan scheme. The take-up needs to improve. It has been available and we need more people taking up those loan schemes. It is a trade-off for the person taking up the loan. There is the individual liability for them and the need to have secure employment to be able to pay back the loan; for example, in the current scheme there is a provision that until your training has been completed you do not need to pay back the interest element.

You are right that employers in the road haulage industry need to look at how they can tie down good quality staff to ensure that the training they put into them and the investment that they make results in a degree of payback. That is something they need to look at in individual contracts.

Q160 Chair: What about the insurance issue? We have heard about the cost of insuring fleets. What is happening on that at the moment?

Lord Ahmad: As I said earlier, it is not for Government to dictate what premiums are charged, but we and the industry need to explore more how it can extend fleet insurance as a means of attracting a younger level of driver into the industry. That is an area we will be exploring at our round table on 16 March.

Q161 Iain Stewart: I would like to pick up on your point that conditions are as important as pay. We have had some evidence that, while there is a statutory maximum on driving hours, in actual fact many drivers have to be at their place of work for a much greater period of time because of periods of availability, loading and unloading procedures and the like. We have heard that this is causing a fair degree of stress and tiredness among drivers and is a disincentive to staying in, or coming into, the profession. When I put this to the employers they did not seem to think there was an issue. When I put it to the trade unions they said it was an issue. Do the Government have a view on the matter?

Lord Ahmad: I have already made my view very clear. Conditions need to be improved. Some of the roadside facilities available to drivers are not up to standard. That said, in terms of take-up of roadside facilities, the most recent survey that was done showed a 61% general uptake of the facilities that were available. It may well be that where you do not get full uptake it is because the facilities are not reflective of the kind of facilities people want to use.

The other area that needs to be explored more with the industry is this. If you have customers and you are delivering something from point A to point B, there is perhaps scope for the companies to talk to their customers to see whether certain facilities can be made available to the drivers, particularly at the point where they pick up whatever goods they are transferring and the points where they deposit the goods they are transferring. There are some workable solutions, but it requires people to come round and discuss them.

As you rightly pointed out, Mr Stewart, the unions may have one view and the employers a different view. That is not the first time we have come across that. The important thing for Government is to ensure that dialogue can be facilitated. Together with Andrew Jones, the Minister for roads, I will be meeting all parts of the haulage industry to ensure that there can be certain solutions, which I believe can be found, to address in particular some of the issues around conditions.

Q162 Iain Stewart: I appreciate that there is genuine concern about the facilities that are available, but my specific point was on drivers having to be available for a much longer period of time than the maximum actual driving hours. Is this a concern that has been raised with you as a Minister? If not, would you investigate it as part of your discussions?

Lord Ahmad: Of course. There is a working limit: 48 hours within their contractual hours. There are also quite specific times; I believe there is a 45-minute break after four hours of working. As you rightly point out, there is the competitive nature of ensuring that you get to your point in time. We need to ensure that the criteria set down for ensuring that drivers can have their rest periods in accordance with the regulations are applied fairly, adequately

and effectively across the industry. I mentioned earlier the importance of safety. Ensuring that drivers get their rest periods at the required time is an important part of safety on the roads.

Q163 Will Quince: I want to pick up on one of your points about armed forces personnel. I represent a garrison town with about 5,000 troops. There is a massive opportunity, but my understanding is that drivers in the armed forces do not need a CPC. I am interested to see what sort of plans there might be for those preparing for civvy street and whether the Government fund CPCs for those drivers, so that they are in a better position to go straight out to the world of civilian work.

Lord Ahmad: You are right. Maybe I can reflect my personal experience. I was at a TfL training event where there were many people from the military, or who had served in the military, and had joined careers in transport. As a Government we want to encourage that, but it was pointed out to me that certain barriers existed in making that transition. I have taken it upon myself to ensure that, first of all, if there are barriers it is Government's job—particularly if people are making a transition from a career in the military to civilian life—to facilitate that. Only last week I met people who are involved with the partnership that looks into that transition. We had representatives there from the different agencies involved and the MOD. I believe strongly that one of the areas where we are working, and which will be important to facilitate the transition, is to ensure that the training is done while the individual concerned is still employed within the MOD. We need to scope and make available facilities to the individuals who choose to make that career choice while they are within the service, so that by the time they leave their military service they can make the transition to civilian life. If it is to the road haulage industry, they will then have the appropriate qualifications in support of that.

To put it into context, when we look at the professional standards that drivers need to meet, we have a ready source whereby part of the standards have already been met. It is about ensuring that the transfer is as convenient and seamless as possible. We are certainly working on an initiative where we get employers in from careers fairs. At the moment there are websites available to military staff, but I do not think enough is done. That is a key area of my focus. I focused on it last week in the round table, and on a personal level it is something that I am taking forward and regard as a priority.

Q164 Will Quince: Do you think those courses will be fully funded by the MOD or DFT?

Lord Ahmad: That is an area we are looking at, but we also need to recognise that we should facilitate the transition of people who have given their service within the scope of serving Queen and country in the best way possible. I cannot give specific commitments as yet on funding issues, but it is certainly an area we will be discussing at the DFT with our colleagues in the MOD.

Q165 Chair: We have heard a lot of concerns about low wages relative to money earned by people who have fewer skills. How do you see that situation changing?

Lord Ahmad: The profit margins in the road haulage industry are quite minimal. In a market situation, wages will be impacted by the margins that private companies can make in the business. In that respect we have seen some increases in wages. When you look at HGV drivers as compared to van drivers, the salaries are higher. That said, it will be

market-led. It is not something that you can apply by saying that some limit should be imposed. It is really for the market to set what kind of wages are competitive. We heard earlier how one private company may take a trained driver from another. It is for companies to look at not just the wages that are paid but the overall package of pay and conditions offered to drivers to make it attractive to them.

The other area I would share with you relates to the options that exist more generally in the logistics arena. If we are talking about a shift change in career, why can a driver not become a fleet manager or something else in a firm in terms of the opportunities that are offered? Again, that is an area of work I want to explore with the industry. If someone makes a choice to become an HGV driver, what are the career options for them? What can they go on to do next?

An area we have not yet touched on is the lack of diversity in the sector. I first looked at this in terms of recruitment from ethnic minorities, but also in addressing the gender imbalance. Frankly, about 1% in the sector are women. What is the reason? Are there issues of access, pay or conditions? We need to look at these things overall. To compare generally how earnings have increased, in 2014 we saw an increase of about 4% in the sector. That is reflective of the growing demand in the industry more generally.

Q166 Chair: You said “we” in relation to something being done about career promotion and people’s ability to advance. Who should be responsible for that? Is it something that the Government should do more of or should the industry be doing it?

Lord Ahmad: In all of this the key word is partnership. It is not for the Government to step back. As I said earlier, the Government have a role in the recruitment element and in creating and facilitating the process for people when making those career choices. I believe very strongly that it is about the industry, the private sector companies, the trade associations and Government coming together to ask, “How can we meet this shortage?” It is part and parcel of ensuring that we remain competitive as a country.

Q167 Chair: Are agency drivers a problem?

Lord Ahmad: Agency drivers address a shortage that currently exists in the market. As we see greater levels of retention, there will perhaps be less demand for agency drivers. It is currently a demand of the market and that is why we see agency drivers being utilised in the sector.

Q168 Huw Merriman: Lord Ahmad, we talked about the market setting wages to a certain extent. If there is a shortage of 40,000, would it not follow that the market should pay more? That would then overcome the issues around antisocial hours and poor facilities, because there will be a premium on doing the job. Has it not surprised you that the market has not increased and that pay has not gone up?

Lord Ahmad: As I said, we have partly seen an increase in pay but it is also reflective of the profit margins currently experienced in the industry by private companies. You are talking about a substantial number of firms in a highly competitive market and the margins are quite low, so firms will pay only what they can afford.

Q169 Huw Merriman: That touches on a completely opposite point: is there really a shortage of 40,000? If there was, goods would not be arriving on time and those reliant on goods arriving on time—Tesco and what have you—would not allow themselves to be in that situation and would therefore pay more in order to get their goods on time. The fact that they

are not would seem to suggest that it is not really as much of a problem as we are being led to believe.

Lord Ahmad: We all recognise that there may be varying estimates of what the shortage is. We just touched on the use of agency drivers, which in itself reflects the shortage that exists, and I think people recognise that there needs to be a greater level of investment in this particular area to ensure, first, recruitment and, secondly, retention. There have been challenges in the delivery of goods across the country. When you speak to anyone involved with the sector, whether from the unions, the trade associations or indeed the private sector companies operating there, everybody recognises that there is a shortage of drivers. Clearly, there is reliance on meeting some of the shortfall from European drivers; about 10% of the 300,000 drivers currently deployed in the UK are non-UK based drivers, mainly drawn from the European Union. The question is whether that 10% can now be met—the 30,000—which would be a fair bit towards the 40,000 shortage that is talked about. There is reliance on sourcing drivers from abroad. That again reflects the fact that there needs to be more domestic recruitment.

Q170 Huw Merriman: Do you think domestic recruitment is going to be impacted by the scenes shown of drivers trying to get through Calais at the moment?

Lord Ahmad: That is broadening the issue. No one could have imagined the things that we see in Calais. It is something unprecedented. Of course, that raises questions for road hauliers who have to travel across. They are being challenged by increasing issues of people seeking to get on to the vehicle or trying to break through some of the controls. It raises a question in the driver's mind about the challenge, but that is for individual drivers. There is also a need for us to recognise that there is an unprecedented issue in Calais. We need to look beyond that in terms of the overall strategic needs of the sector for the long term. That is what we are doing with the skills strategy and the investments we are making in apprenticeships. The need to look at recruitment, retention and conditions and not just pay is all reflective of that ambition for the industry.

Q171 Will Quince: I want to pick up on the salary point, especially on agency drivers. Is the 4% across the industry or is it largely being driven by agencies? We all know that in industries where there is a shortage of a particular type of skilled labour—the NHS is a prime example—people can go and work for an agency, earn far more and have more flexibility. I am interested to know if that 4% is across the board or is being driven by agencies, which tend to pay more.

Lord Ahmad: I think it is demand across the sector. Mr Parkinson may wish to comment on that.

John Parkinson: My understanding is that it is an average across the sector.

Q172 Chair: What does the Department do to mark national lorry week?

John Parkinson: National lorry week is the initiative that the Road Haulage Association launched last year. We were not approached to mark national lorry week, but I am sure that we would be very interested in whatever proposals the Road Haulage Association might like to put to us.

Q173 Chair: Does that mean you did not do anything?

Lord Ahmad: No. That was the short answer. The important point in all of this is that these initiatives should bring focus on careers. We should not just wait on approaches from different parts of the industry. If there is a priority, that needs to be given, and, as I

said, I am very determined to ensure that it happens. That is why—going back to the skills strategy we recently launched—it would be very easy to say, “Right, we have done the skills strategy. What next?” We have already met the military. Part of the issue for companies involved with the military transition is, yes, to look at careers in relation to addressing the issues around getting qualified drivers into this sector, but, as I said earlier, we are also meeting all players across the industry to ensure that we tackle the issue in a partnership way. Recognising such days is going to be part and parcel of reflecting our ambition that those careers get the profile they require.

Q174 Chair: Do you think that your Department should have sole responsibility for training in relation to drivers? There is a shared responsibility, isn’t there, with BIS?

Lord Ahmad: Of course. This is across Government. The skills challenge is across Government and it is right, in my mind, for BIS and the Department for Education to share responsibility on the overarching issue of skills and apprenticeships. It is right that, if you have a Department called Business, Innovation and Skills, it should do what it says on the tin. It is right that it has overarching responsibility. That said, I firmly believe, as we are doing in DFT, that we are leading in engagement with the industry and working very closely with our colleagues in the Department of Business, Innovation and Skills to ensure there is a consistent approach across Government.

Q175 Chair: Does that work?

Lord Ahmad: It does work.

Q176 Chair: Is that joint working effective?

Lord Ahmad: I believe it is. It is down to how officials work together. It is how Ministers work together. I work very closely with the Minister for skills in BIS.

Q177 Chair: You mentioned testing and the different approaches you were going to take. Do you think that load restraints should be a mandatory part of testing?

Lord Ahmad: Are you talking about driver testing?

Chair: Yes, driver testing.

Lord Ahmad: There are currently two elements in that. One is the ability to ensure that we meet the current demand in relation to the number of tests that are required. We have been recruiting additional individuals for that to ensure that we get the testing times down. The testing times are released about 10 weeks in advance, which allows us to meet the level of demand. The current waiting time of six weeks is unacceptable. That is where we are certainly making investment. As to the detail of the tests themselves, Mr Parkinson may wish to comment.

Q178 Chair: We have received quite a bit of evidence in that area. I was interested to know if you were proposing to make any specific changes. For example, on the question I asked about load restraint, the Unite union said to us that load restraint should be a mandatory part of testing. Is that something you are considering?

John Parkinson: Correct loading is something that is covered by driver CPC, so that is built into the training. The Department also issues guidance on correct loading, so that is something that is already covered.

Q179 Chair: Why would Unite say that it should be part of testing if it is already?

John Parkinson: What I am saying is that there are many aspects to the safe operation of a heavy goods vehicle, and correct loading is one of them. It is one of the issues covered by the driver CPC so it is brought within the training regime.

Q180 Chair: You are saying it is already there.

John Parkinson: I am saying it is something that drivers are trained in doing correctly.

Lord Ahmad: And it is part of the CPC.

Q181 Chair: But is CPC tested though? Again, we have had a number of representations about that. It is about attending various courses, isn't it? It is not actually tested in terms of knowledge and skills.

John Parkinson: Driver CPC is about undertaking a certain number of hours of training a year, consistent with many other sectors. It is really about consistent professional development.

Q182 Chair: But are you making any changes to that? The Transport Committee in the last Session raised issues about it. We had complaints that the testing was not credible and people were querying the ability of the trainers. There were questions about the content of the training. Have you made any changes or are you proposing to make any?

John Parkinson: The Driver and Vehicle Standards Agency undertakes checks on people who are providing training, in ensuring that there is a decent standard of training. As you say, there is flexibility in the training drivers can undertake.

Q183 Chair: Yes, but my question to you is whether you are making any changes in that, and have you made any changes since the last representations were made by the Transport Committee?

Lord Ahmad: I am not aware that there are specific changes, but we can perhaps follow up on that.

Q184 Chair: It would be helpful if you could follow up on that. Minister, you have mentioned a few times the transport infrastructure skills strategy that is being published by the Department, but there is no mention of HGV drivers in it. Why is that?

Lord Ahmad: There is in the recommendations when we talk about the sector generally. For example, when we are talking about apprenticeships on page 70, one of the recommendations is about how we will "explore with employers how apprenticeship funding can be used to address specialist skills gaps across the wider transport sector, including in aviation, maritime, road haulage and coastguards."

Q185 Chair: It is kind of mentioned, yes, but it does not seem to identify an issue to do with HGV drivers.

Lord Ahmad: Part of the strategy is outlining a statement of intent across the board in terms of investing in skills. That is something we take very seriously. Part of the implementation of the strategy is the initiation of round tables with different industry sectors, so we are meeting with all sectors and that will be an ongoing part of the delivery challenge. As I said earlier, one of the first meetings we are having in that regard is with the haulage industry to ensure that we set down the specific deliverables. While Government can set an overall strategy for transport and for the skills within the transport sector, it is for the industry to lead on that.

Q186 Chair: Do you have any plans to change Government policy on funding licence acquisition? Another of the issues that has been raised with us is the funding of HGV licences.

Lord Ahmad: There is a consistent approach: when it comes to regulated requirements and training, the Government retain their position. The short answer to your question is no. Specific funding for professional licences in this respect is not something that the Government intend to change. However, within the scope of the new trailblazer apprenticeships we are looking at it and will be discussing it with industry—indeed we are already talking to industry—to see if there are elements within that training that are based on knowledge and so on that can be looked at with regard to funding. Specifically on the licence, we are certainly not intending to change our policy.

Q187 Chair: Are you saying that it is something ongoing and that you are looking at it?

Lord Ahmad: As to the component parts of training, certainly we have the new trailblazer apprenticeships. At the moment we are in discussions with the industry. The framework has been set and the details are currently being discussed with the industry itself. We hope it will come to the fore later this year, possibly in the summer.

Q188 Chair: Will that include considering the funding of licences?

Lord Ahmad: No. As I said, the principle remains that we will not look at funding licences. That is something that has been established since, I believe, 2005 and it is a position that we are not changing.

Q189 Chair: Minister, you mentioned earlier the importance you attach to apprenticeships. What are the main changes that you are proposing on apprenticeships, and how many new drivers do you anticipate will come as a result of those changes?

Lord Ahmad: Even with the current scheme we are looking at about 4,900 apprenticeships in terms of take-up. We believe there needs to be greater focus on quality and higher apprenticeships to ensure that these apprenticeships lead to greater retention in the industry and that there is greater association with quality for the individual undertaking the apprenticeship. Certainly our belief, with the progress we are making on the trailblazer apprenticeship, which we hope will be finalised this summer, is that that will again underline exactly those points in terms of the quality element associated with the apprenticeships.

Q190 Chair: What lessons can we take from the way the ADR scheme for dangerous goods and the petroleum drivers passport scheme work?

John Parkinson: The programme you are talking about is obviously targeted at a particular sector of the industry, for obvious reasons because of the type of goods that are being carried. We are all in favour of good practice being spread more broadly. If that is something the industry wishes to pursue, it is something we would be supportive of.

Q191 Chair: You mentioned drivers' hours. Why are the rules on drivers' hours so complicated? Can anything be done about the actual rules on how many hours drivers can drive? It is quite complicated—the number of hours of driving, the rest hours and periods involved.

Lord Ahmad: Again I will ask Mr Parkinson to add to what I say, but the rules around driver hours are to ensure the safety of the drivers and to ensure that there are appropriate

rest periods. Those are regulated. Tachographs record the hours that drivers spend on the roads. It is right that those rules are implemented.

John Parkinson: It is fair to say that primarily for vehicles over 3.5 tonnes the rules are EU rules, which were negotiated. The European Commission has been considering those rules and whether they are too complex. We have worked with the industry—that includes not only the operators but the unions—to look at making sure that we have effective guidance in place that helps people to understand what they are required to do. That is guidance that we put out in March 2015.

We could go back to Europe, to look at how those rules are set and whether there are any changes that could be made to make them clearer. There is always a risk in reopening EU rules that you might end up with a set of rules that are less clear than the ones you already have. As I say, it is something that the Commission is considering. We have provided our views to the Commission on what we think are the rules and how they could be amended. What we have really focused on is helping people to understand the current rules, which we have worked on with the industry.

Q192 Chair: Is the Department involved in those discussions with the European Commission about how things might be adjusted?

John Parkinson: Yes. The Commission asked for evidence on how the rules were working. The Department provided a response. The Commission is considering the matter.

Q193 Chair: Let me return to insurance costs. There is a big problem because of high insurance costs for companies who employ drivers under the age of 25. Is that an issue you have taken up as a Department?

Lord Ahmad: It is. As I said earlier, it is something we will be discussing with the industry to see how we can introduce greater flexibility on policies, such as fleet insurance policies, to ensure that we attract a greater diversity of drivers into the sector when it comes to age. Clearly, at the moment, the sector is quite skewed in its inability to attract younger drivers, and the cost of insurance is prohibitive.

Q194 Chair: What else are you doing to try to attract a more diverse workforce? Is there anything else the Department is doing?

Lord Ahmad: We have stated what our ambition is. I will be happy to come back and update the Committee on the ongoing discussions we are having with the sector in that regard. Certainly I am looking forward to having quite practical and open discussions with all players in the industry to see how we can improve diversity, access and the quality of people. It is not just in terms of wages.

We are widening our role when it comes to strategy. Something has to happen at an earlier stage to attract people into careers in transport, if I can broaden it. We have undertaken quite a rigorous programme, as our strategy reflects, in investing in partnerships with schools, for example. I normally spend at least one Friday every two weeks visiting not just secondary schools but primary schools up and down the country to address the acute shortage we currently have in both the diversity element, in the gender balance in attracting people into transport careers, and in attracting people from some of our minority communities into careers in transport. I believe very passionately that that has to begin early. This Friday I am doing one primary school, one girls' high school and one boys' high school, focused purely

on ensuring that we profile opportunities within the transport sector. We are taking a very practical view with that. I will be accompanied by individuals from across the sector who have a role to play, because they are actually living, working examples of people involved in the sector. There is a process we undertake with students. The best way to term it is as a kind of speed dating. The results are amazing.

At the start of any given session, when you are quite often speaking to 200 children drawn from the ages of 14 through to 18, and you ask them how many believe in careers in transport, I assure you that not many hands go up. After a practical exchange with practitioners involved in the industry and the sector, it is amazing that quite often 0% has gone to about 40%. People are really taken aback by the breadth of what is on offer in terms of career opportunities within transport. I believe it is absolutely Government's role to work with the sector in ensuring that we promote, incentivise and instil great enthusiasm about careers in transport. That is a very practical example of the kind of things I am undertaking personally, as Ministers are doing alongside me across all sectors within the Department for Transport.

Q195 Chair: You referred earlier to the problem of poor facilities for drivers. How much have the Government spent on improving facilities at truck stops and distribution centres this year?

Lord Ahmad: Again, it is primarily a responsibility of the industry itself to lead on this and provide facilities. Part of what we are seeking to do is to talk to industry and see what more can be done on the strategic network.

Q196 Chair: Do the Government spend anything on those facilities?

Lord Ahmad: I do not believe it is something that the Government fund directly. It is something that is very much led by the industry itself. I think that is right, because it is an industry provision. What we need to do is highlight—as we certainly are doing—the current poor conditions that exist. If we are ambitious, as we are, about increasing the diversity and attractiveness of careers in this area, we need to look at conditions. I have not held back on that. I want open and frank discussions with the industry to ensure that we address this particular issue. I have said that there may be practical solutions—maybe bringing customers into it. As I said, from the point of embarkation and the point the hauliers start their journeys to where they end them, at the moment their own customers do not provide facilities—the simple use of toilets, for example—at the beginning or end of the journey. That can be addressed through sensible discussion, and I hope that is exactly what we see.

Q197 Will Quince: You have picked up on the point I was going to make. We have heard anecdotally that drivers are being refused access to toilets and canteens. What pressure can the Department or the Government put on businesses? It seems like a pretty unwelcome practice. There must be some steps that the Government can take to put some pressure on.

Lord Ahmad: What we need to do is understand the extent of it. Yes, there is anecdotal evidence, but we need to understand the extent of the issue. I believe, and I am genuine about it, that there may be some simple solutions. Sometimes it is all very well to point out the problem, but has that problem been pointed out to the right people? By having a sector-wide approach, where you bring the private sector together with all the key

players—it is the Government’s role to facilitate that—we will in part start addressing that issue. As to how effective it will be, until we have tried we will not know.

Q198 Iain Stewart: I have one very brief follow-up on that issue. Do you think the Government or the industry should work towards developing a minimum standard accreditation for facilities that drivers can expect to experience?

Lord Ahmad: There is a need to have an industry standard. When we are in our airports, ports or stations, they have a particular requirement on hygiene and on the safety and security of those facilities. That is certainly an area we need to look at.

What are the Government doing? I was involved very much in the issues around the situation in Calais, for example, which was one of the challenges we had over the summer. We had to initiate Operation Stack, and in that regard the Government have committed, as you may well be aware, £250 million in investing in a new facility that will provide the kind of support we need to relieve the pressures that we faced over the summer. In that regard we will be ensuring that the level of facilities is of a high standard and that they meet the expectations of the drivers. When you are providing such facilities, they have to be clean, secure and safe as a basic minimum. That is an area where the Government can certainly help to facilitate dialogue, and indeed we are providing an example in the investment we are making in the facility in Kent.

Q199 Chair: You have spoken a lot about promoting careers in the sector. Has any assessment been made of the work that the National Careers Service is doing in relation to the sector? Is it doing enough?

Lord Ahmad: In whatever sector of life you are working, whether in Government, the private sector or the public sector, no one should ever say that they have done enough. The day you do that, it is time to move on. There is always more to be done and the careers service will be part and parcel of what we can do to facilitate this. I talked earlier about our schools programme. Part of that is ensuring how those careers are profiled in our schools. Certainly in our discussions with colleagues in BIS, we will also be highlighting more that can be done through careers services in universities and colleges. There is absolutely more to do, because too often the focus is not on careers in transport; otherwise perhaps we would not be facing the current challenges. That said, we should never rest on our laurels. There is more to be done and we are absolutely committed to ensure that we do just that.

Q200 Chair: The sector is making a number of calls on Government to act in various ways. Do you think the sector itself is facing up to its own responsibilities?

Lord Ahmad: I believe that it is Government working with the sector, the trade representatives and the private sector companies involved that will ensure that, wherever the challenge lies, we meet that challenge through partnership working. This is not a blame game. It is about meeting requirements that are of benefit to the individual, the company, the sector and the country as a whole. To quote a phrase, “We are all in it together.”

Chair: That seems a good point to conclude on. Thank you very much.